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EXCISE

United States Department of State

Washington, D.C. 20520

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MEMORANDUM

To: EAP - Jim Lilley
From: EAP/C [Joan Plaisted, Acting]
Subject: Chinese Satellite Launch Services

You asked for further background on China's plans to launch American satellites.

Attached are some previous reports by us and others on the subject. I draw your attention to our cable of May 15, which reported Department conversations with a delegation from the China Great Wall Industrial Corporation and Ministry of Astronautics.

Some points to highlight:

-- Teresat, the Houston-based firm which has signed a couple of agreements with Great Wall Industrial Corp., has been doing an excellent public relations job: press releases in Beijing and New York, stories planted in the Times and Post, lots of self-promotion. But as far as we know, Teresat does not yet 'own' any satellites. Maybe it does now, but last month Teresat was still in the process of negotiating purchase of two shuttle-recovered satellites (Western Union's Westar 6 and Indonesia's Palapa B).

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-- The Post's report of a joint US-PRC launch from a site somewhere in the Hawaiian islands repeats a rumor we had heard during the visit of the GWIC delegation. For now it looks like it is merely a Hughes proposal, nothing that the Chinese have agreed to. The logistics of the proposal at first blush seem staggering.

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-- Launch capability:

Can the Chinese launch US satellites? It depends on how heavy the satellites are. The PRC claims to be able to put a payload of 1.4 metric tons into geosynchronous orbit from a Long March 3. DIA's May 14 report (last item in packet attached) concludes that the Long March 3 could handle either the Palapa B or the Westar 6. But we have to remember, as the Post points out, that the PRC has launched only two satellites into geosynchronous orbit. They are still largely untested in launching communications satellites.

-- Political fallout:

We see all of this publicity as being okay as far as it goes. Being able to turn to China for launch services -- during the temporary eclipse of Arianne and the Shuttle -- may be a plus for US companies if the Chinese capability pans out. Publicity aside, further concrete US-PRC space cooperation, including PRC launch of US satellites, can only strengthen our bilateral relationship. B

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Drafted: EAP/C: *Don* SSchlaikjer
#0507S 6/16/86

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